British Columbia Ferry Commission

Service Plan and Budget

for the fiscal year ending
March 31 2006

Prepared and submitted in accordance with
Section 59 of the Coastal Ferry Act
of the Province of British Columbia

British Columbia Ferries Commissioner
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September 22, 2004

105-01464/

British Columbia Ferry Commission

Honourable Kevin Falcon
Minister of Transportation
Parliament Buildings
P.O. Box Stn Prov Govt
Victoria, BC
V8W 9E2

Mr. David Hahn
President and CEO
British Columbia Ferry Services Inc
1112 Fort Street
Victoria, BC
V8V 4V2

September 22, 2004

Dear Minister Falcon and Mr. Hahn:

BC Ferry Commission Service Plan and Budget
Fiscal Year Ending March 31 2006

I am pleased to submit the enclosed document as required by section 59 of the Coastal Ferry Act. The document outlines how the Commission intends to fulfill its mandate in the coming fiscal year, and the associated expenditures.

Yours truly,

M Crilly

Martin Crilly
BC Ferries Commissioner

Service Plan and Budget for the Fiscal Year Ending March 31 2006

TABLE OF CONTENTS

	Page
1 EXECUTIVE SUMMARY	2
2 ABOUT THE COMMISSION	3
3 ACTIVITY OVERVIEW	4
4 ACTIVITY DETAIL	6
5 EXPENDITURE BUDGET	11

1 Executive Summary

The post of **British Columbia Ferries Commissioner** was created in April, 2003 by the **Coastal Ferry Act** of the Province of BC. The first commissioner was appointed in August 2003, and the first deputy commissioner in September 2004. Their office is known as the BC Ferry Commission.

Eight year outlook provided

The Act obliges the Commission to regulate coastal ferry operations with a timetable stretching several years ahead. Accordingly, this Annual Service Plan and Budget begins with a **long range look** into the future in the form of an eight-year activity schedule.

Service Plan to March 2005

A **Service Plan** for the coming fiscal year then goes on to describe the expected type and intensity of activity of the Commission in meeting its mandate—in regulating ferry fares and service levels, in making certain special decisions, in public outreach and in administration.

Budget for fiscal 2005/6

The Service Plan is used to project the Commission's costs for the year, summarized in Figure 1. **Total expenditure for fiscal year 2005/6 is budgetted at $285,000**, including a 5% contingency due to uncertainty in activity level. This total is an estimated 12% under the maximum for the Commission's expenditure budget set out in the Coastal Ferry Act[1].

Fig. 1: Expenditure Budget
Fiscal Year Ending March 31 2006

	$'000
Regulation of Ferry Fares	$ 42
Regulation of Ferry Service Levels	$ 13
Special Decisions	$ 130
Enforcement	$ 2
Publication and Outreach	$ 33
Administration and Reporting	$ 52
Contingency 5%	$ 14
Total Expenditure	**$ 285**

The first two budget categories (regulation of fares and service levels) are central to the Commission's mandate, but are expected to see relatively light, maintenance-level activity in this budget period. In contrast, the third category (special decisions) should see significant effort in light of BC Ferries' plan to deploy capital in ships in the current decade, notably for northern routes. The fourth (enforcement), in expectation of compliance by the company, receives only a small allocation of budget.

The fifth budget category—publication and outreach—sees almost twice the previous year's budget, based upon recent experience with the intensity of correspondence with individual members of the public, and with the effort required to maintain the Commission's website as the main vehicle of publication. Administration and reporting, on the other hand, is budgetted at about three-quarters of the previous year's budget: the Commission's start-up period is complete and routines and templates are now in place.

[1] The Act's Section 59(2) limits the budget to one tenth of one percent (in a year with no activity on price cap review under section 40 of the Act) of BC Ferries' gross tariff revenue for the last fiscal year. This figure for fiscal 2003/4 was $323 million.

1 Executive Summary

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2 About the Commission

Policy Principles for the BC Ferry Commission

Coastal Ferry Act, s 38

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(a) priority is to be placed on the financial sustainability of the ferry operators;

(b) ferry operators are to be encouraged to adopt a commercial approach to ferry service delivery;

(c) ferry operators are to be encouraged to seek additional or alternative service providers on designated ferry routes through fair and open competitive processes;

(d) ferry operators are to be encouraged to minimize expenses without adversely affecting their safe compliance with core ferry services;

(e) cross subsidization from major routes to other designated ferry routes is (i) to be eliminated within the first performance term of the first Coastal Ferry Services Contract to be entered into under this Act, and (ii) before its elimination, to be minimized;

(f) the designated ferry routes are to move towards a greater reliance on a user pay system so as to reduce, over time, the service fee contributions by the government.

The **BC Ferry Commission** is a quasi-judicial regulatory agency operating under the Coast Ferry Act of the Province of British Columbia. While discharging its responsibilities, the Commission is required to bear in mind a set of six policy principles (see box, left).

The "core" ferry services to be regulated by the Commission carry people and vehicles over a designated set of 25 saltwater routes. All are currently served by BC Ferry Services Inc ("BC Ferries") as the ferry operator.

BC Ferries was created in April 2003 from the former BC Ferry Corporation, which was a taxpayer-supported crown corporation. It is now a self-financing company with a mandate to widen travel choices for users and improve service quality.

Under a long-term contract with the Province, BC Ferries must operate its system to comply with defined minimum "core" service levels on each of the 25 routes. On three of them, called "major" routes and regarded as financially self-sufficient, it receives no subsidy. On the other 22, the government pays BC Ferries a "ferry transportation fee" per-round trip sailing for a total maximum fee of $91.9 million.

BC Ferries currently holds a virtual monopoly position in most of the transportation markets it serves. Given the lack of effective competition, a major role of the Commission is to set a ceiling or "price cap" on the average level of fares which BC Ferries can charge. The goal in setting the price cap is to balance consumer protection with financial sustainability of the ferry operator, while encouraging efficiency.

The routes are divided into seven geographic groups. Each group is to have its own price cap, which is a weighted average of the individual fares within the group. The level is re-set after every fourth year. Each four year[2] period is termed a "performance period".

Another key task is to monitor the adherence of BC Ferries to the terms of its contract. It is worth noting that the Commission serves as neither ombudsman nor complaints bureau. Further, it is not responsible for regulating safety or environmental aspects of ferry operations.

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[2] Except for the first performance period, which is five years long, ending on March 31, 2008.

3 Activity Overview

Activities of the Commission

1. **Regulation of Ferry Fares**
   Determining in detail how to calculate weighted average fares and price caps, making adjustments, and ensuring that actual fares are below the caps.

2. **Regulation of Service Levels**
   Checking BC Ferries delivers its contracted round-trips; handling any applications for service cuts or abandonment of routes.

3. **Special Decisions**
   Determining if certain capital spending is reasonable; deregulating routes where competition is sufficient; review plans to seek alternative service providers for BC Ferries routes.

4. **Enforcement**
   Monitoring BC Ferries public reporting, conducting inspections of records and making corrective orders if necessary.

5. **Publication and Outreach**
   Maintaining own records, publishing decisions, and communicating with the public.

6. **Administration and Reporting**
   Running an office, obtaining support services, research, budgetting and reporting to Lt.-Governor in Council

The Commission's planned activities fall under six headings shown in the box, left.

The central, ongoing activities fall under headings 1 and 2: the **regulation of fares** through the price cap mechanism, and the **regulation of service levels**.

Some types of activity (e.g. dealing with applications to cease serving a route altogether) cannot legally occur before the end of fiscal 2005/6 and show no planned activity or related expenditure.

Some activities have predictable times (e.g. annual reports). Others respond to applications initiated by BC Ferries for changes in regulated price caps or service levels. These require the Commission to stand ready; the Act generally provides deadlines for the Commission to respond.

There is **uncertainty** in the projected levels of activity, partly because the Commission has only a short history. For instance, how many members of the public approach the commission, and how much the public will initiate queries requiring response, is difficult to predict.

Such uncertainty is addressed through a 5% contingency allowance in the Commission's budget for fiscal 2005/6.

Using these same six headings seen in the box on the left, overleaf is a timetable of activities in the eight year period 2005 through 2012. Activities are also keyed to relevant sections numbers of the Act.

BC Ferry Commission Activity Timetable Through 2012

Coastal Ferry Act Section	Activity Number	Activity Description ("BCF" means BC Ferries or other ferry operator)	Calendar Year -->	2005				2006				2007				2008				2009				2010				2011				2012		
			Financial Year -->	2005/6				2006/7				2007/8				2008/9				2009/10				2010/11				2011/12						
			Q	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3
				First Performance Term												Second Performance Term																Third		
	1.0	**Regulation of Ferry Fares**																																
39	1.1	Monitor how weighted average fare is calculated																																
38, 65	1.2	Review BCF quarterly reports on price level																																
42	1.3	Handle any BCF applications for extraordinary price increases																																
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	5.0	**Publication and Outreach**																																
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52	5.2	Publish decisions/determinations/orders/proceedings																																
NA	5.3	Communicate with public and stakeholders																																
	6.0	**Administration and Reporting**																																
36	6.1	Operate office and engage external support services																																
NA	6.2	Research background to ferry operating environment																																
59	6.3	Prepare Commission's annual budget																																
53	6.4	Report annually to Lt-Gov-in-Council																																

*Refers to Clause 4.04 of the Coastal Ferry Services Contract between BC Ferries and the Province of BC.
This permits discontinuance applications only at certain times, as shown.

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This permits discontinuance applications only at certain times, as shown.

4 Activity Detail

This section takes the list of the Commission activities and offers a more detailed description. It gives the expected level of activity for the year.

This is the basis for budgeting the Commission's costs in the following Section 5, which develops expenditure budgets.

Activity number	Coastal Ferry Act Section	Activity Description	Level and Timing of Activity Anticipated In Fiscal 2005/6
1.0	**Regulation of Ferry Fares**		
1.1	39	Monitor how weighted average price is calculated	
		The Commission will monitor the functioning of the Average Fare Model. This was developed in collaboration with BC Ferries in 2003/4 as the key measuring tool for judging whether BC Ferries' weighted average fares are within the price cap established by the Commission. The model requires adjustment and improvement (e.g. for changes in type and quality of source data) and cross-checking from time to time. Where necessary, the operation of the model will be externally validated.	This is an ongoing activity which required the attention of Commission and consultants in concentrated periods. 15 days of Commission time and $20,000 in consulting fees are budgetted for the year.
1.2	38,65	Review BCF quarterly reports on price level	
		The Commission will specify contents required in BC Ferries quarterly reports respecting fare levels for each route group. The Commission will determine if the weighted average of the tariffs charged for each route group, as measured using the above Average Price Model are within the price cap established, and if not make appropriate orders.	One review per quarter, requiring two days of Commission time per quarter.
1.3	42	Handle any BCF applications for extraordinary price increases	
		The Commission will review and consider applications by the ferry operator for extraordinary tariff/price cap increases, for example due to extraordinary increases in the price of fuel.	One extraordinary price increase determination is anticipated in FY 2005/6 requiring three days of Commission time and $5,000 in consultants' services.

1.4	45	Adjust price cap for any service cuts/route discontinuances	
		The Commission will review service reductions or discontinuance of routes for impact on price cap and make appropriate adjustments in price cap.	No activity on route discontinuance is allowed before October 2006 under the Coastal Ferry Services Contract between BC Ferries and the Province of BC.
1.5	40,41	Conduct price cap review for next performance term	
		The Commission will initiate on or before October 1 2006 a price cap review for second performance term.	This is expected to be a substantial effort when it occurs, but it lies beyond the current budget period.
2.0	**Regulation of Ferry Service Levels**		
2.1	38,65	Review BCF quarterly reports on service level	
		The Commission will specify the format of, and review quarterly reports of BC Ferries as the ferry operator to determine if it is meeting the contract service requirements.	One review per quarter, with one Commission day per review supported by $1000 per review in consultants' time.
2.2	38,66	Review BCF annual reports on service level	
		The Commission will specify the format of, and review annual reports of BC Ferries as the ferry operator to determine if it is meeting the contract service requirements. It will also review BC Ferries' annual customer satisfaction survey, which BC Ferries must provide to the Commission under the terms of the Coastal Ferry Services Contract.	One review of last BC Ferries annual report in July 2005 of two Commission days supported by $4000 in consultants' time.
2.3	43	Handle any BCF applications for service cuts	
		Review and consider any applications by the ferry operator for reductions in service (temporary reductions would occur immediately)	None are expected before April 2006.
2.4	44	Handle any BCF applications for route discontinuance, possibly hold hearing	
		Review and consider any applications by the ferry operator to discontinue a route. After October 2006, route discontinuance applications may be made (the determination process takes 9 months).	No activity in the period of this service plan: route discontinuance is not allowed before October 2006.
3.0	**Special Decisions**		
3.1	55	On BCF request, decide if a proposed capital deployment is reasonable	
		If a ferry operator makes an application, the Commissioner will consider a proposed capital deployment or capital expenditures in connection with a route or terminal to determine if they are reasonably required.	Three determinations may be required in fiscal 2005/6 for a total of 30 Commission days and $60,000

4 Activity Detail

This section takes the list of the Commission activities and offers a more detailed description. It gives the expected level of activity for the year.

This is the basis for budgeting the Commission's costs in the following Section 5, which develops expenditure budgets.

Activity number	Coastal Ferry Act Section	Activity Description	Level and Timing of Activity Anticipated In Fiscal 2005/6
1.0		**Regulation of Ferry Fares**	
1.1	39	Monitor how weighted average price is calculated The Commission will monitor the functioning of the Average Fare Model. This was developed in collaboration with BC Ferries in 2003/4 as the key measuring tool for judging whether BC Ferries' weighted average fares are within the price cap established by the Commission. The model requires adjustment and improvement (e.g. for changes in type and quality of source data) and cross-checking from time to time. Where necessary, the operation of the model will be externally validated.	This is an ongoing activity which required the attention of Commission and consultants in concentrated periods. 15 days of Commission time and $20,000 in consulting fees are budgeted for the year.
1.2	38.65	Review BCF quarterly reports on price level The Commission will specify contents required in BC Ferries quarterly reports respecting fare levels for each route group. The Commission will determine if the weighted average of the tariffs charged for each route group, as measured using the above Average Price Model are within the price cap established, and if not make appropriate orders.	One review per quarter, requiring two days of Commission time per quarter.
1.3	42	Handle any BCF applications for extraordinary price increases The Commission will review and consider applications by the ferry operator for extraordinary tariff price cap increases, for example due to extraordinary increases in the price of fuel.	One extraordinary price increase determination is anticipated in FY 2005/6 requiring three days of Commission time and $5,000 in consultants' services.

1.4	45	Adjust price cap for any service cuts route discontinuances	
		The Commission will review service reductions or discontinuance of routes for impact on price cap and make appropriate adjustments in price cap.	No activity on route discontinuance is allowed before October 2006 under the Coastal Ferry Services Contract between BC Ferries and the Province of BC
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2.2	38,66	Review BCF annual reports on service level	
		The Commission will specify the format of, and review annual reports of BC Ferries as the ferry operator to determine if it is meeting the contract service requirements. It will also review BC Ferries' annual customer satisfaction survey, which BC Ferries must provide to the Commission under the terms of the Coastal Ferry Services Contract	One review of last BC Ferries annual report in July 2005 of two Commission days supported by $4000 in consultants' time
2.3	43	Handle any BCF applications for service cuts	
		Review and consider any applications by the ferry operator for reductions in service (temporary reductions would occur immediately)	None are expected before April 2006
2.4	44	Handle any BCF applications for route discontinuance, possibly hold hearing	
		Review and consider any applications by the ferry operator to discontinue a route. After October 2006, route discontinuance applications may be made (the determination process takes 9 months)	No activity in the period of this service plan: route discontinuance is not allowed before October 2006
3.0	**Special Decisions**		
3.1	55	On BCF request, decide if a proposed capital deployment is reasonable	
		If a ferry operator makes an application, the Commissioner will consider a proposed capital deployment or capital expenditures in connection with a route or terminal to determine if they are reasonably required.	Three determinations may be required in fiscal 2005/6 for a total of 30 Commission days and $15,000

		Consultants of various specialties will be engaged to undertake a "process audit" of the BC Ferries analysis.	in consultants' fees.
3.2	38(4)	Deregulate a ferry route if competition sufficient	
		Make a determination of removing the route designation for a route upon which sufficient competition exists so that regulation of that route is no longer necessary.	One investigation in FY2005/6 budgetted at 10 Commission days and $10,000 in consulting fees.
3.3	69	Review BC Ferries Plan to Seek Alternate Service Providers	
		Monitor the market for ferry services with a view to encouraging competition for BC Ferries; monitor BC Ferries implementation of its "Section 69" Plan (formulated in 2004) for Alternate Service Providers to provide service on BC Ferries designated routes by subcontract, franchise, or other means.	Five Commission days and $10,000 in consulting fees are budgetted for this activity.
4.0	**Enforcement**		
4.1	38(2)	Monitor BCF reporting to public	
		The Commissioner will observe how BC Ferries reports its own performance respecting pricing its fares under the price cap, and respecting its service level actually delivered versus the contracted service levels.	Quarterly observation by Commissioner, with observations to be included in annual report to the Cabinet (see 6.4 below). One Commission day per quarter.
4.2	46	Inspect BCF records as required	
		Order inspections of the records of the ferry operator as necessary	No activity expected to be necessary through FY 2005/6.
4.3	48	Issue orders to BCF re: non-compliance with the law as required	
		Issue orders for non-compliance with the legislation as necessary	No activity expected to be necessary
5.0	**Publication and Outreach**		
5.1	52	Maintain Commission records, provide public access	
		Files will be maintained accessible to the public under the Freedom of Information and Protection of Privacy Act. Response to public enquiries will be made via telephone, postal mail, e-mail. A web site will be maintained and regularly updated as needed, preferably at least monthly.	The level of this activity is difficult to predict. It will depend on issues arising and the profile that the Commission receives in the public eye. Budget is 30 days of Commission time for FY 2005/6.
5.2	52	Publish decisions/determinations/orders/proceedings	
		The Commissioner will publish every decision, determination and order	Three to five official publications

		in a manner that the Commissioner believes will bring it to the attention of the public. All such items will be published on the Commission's website, at a minimum.	expected. How published will depend on the Commissioner's judgment of the groups having most interest in the content.
5.3	NA	Communicate with public and stakeholders	
		The Commission will actively communicate the role and responsibilities of the Commission to the public; make appearances in the media; make presentations and speeches to stakeholder groups.	Commissioner attending one industry conference per year: two media pieces per year written by Commissioner: one public speech/presentation per quarter by Commissioner.
6.0	**Administration and Reporting**		
6.1	36	Operate office and engage external support services	
		Operate the office of the Commission. Maintain arrangements for telephone, mail and electronic access. Rent office space as required. Office operations (secretarial, phone, courier, post, internet, website) Office equipment dedicated to Commission use. Work with Office of the Attorney General as provider of payment system on behalf of the Commission. Obtain internal bookkeeping, archiving, and legal services as required	No rental costs expected in the year due to virtual office operation. Accounting and payment system is provided by Office of the Attorney General at no charge to the Commission. A budget of $15,000 is made for obtaining independent legal advice as required.
6.2	NA	Research background to ferry operating environment	
		This activity is Commissioner's ferry system familiarization and background study. The Commissioner intends to travel all ferry routes in person. Research and Investigations initiated by Commission	This activity will be largely study of relevant reports and articles. The Commissioner will ensure familiarity with all ferry routes. Nine days of Commission time is allotted for this activity FY2005/6 One special research investigation by consultants is budgetted at $10,000 in fees.
6.3	69	Prepare Commission's annual budget	
		Budget will include expenditures reasonably expected to be incurred in the following year, supported by a Service Plan for the year.	Preparation time for the annual Service Plan and Budget will be needed in quarter 2 of each fiscal year. Two days allotted for the Service Plan and Budget.

		Consultants of various specialties will be engaged to undertake a "process audit" of the BC Ferries analysis.	in consultants' fees.
3.2	38(4)	Deregulate a ferry route if competition sufficient	
		Make a determination of removing the route designation for a route upon which sufficient competition exists so that regulation of that route is no longer necessary.	One investigation in FY2005/6 budgetted at 10 Commission days and $10,000 in consulting fees.
3.3	69	Review BC Ferries Plan to Seek Alternate Service Providers	
		Monitor the market for ferry services with a view to encouraging competition for BC Ferries, monitor BC Ferries implementation of its "Section 69" Plan (formulated in 2004) for Alternate Service Providers to provide service on BC Ferries designated routes by subcontract, franchise, or other means.	Five Commission days and $10,000 in consulting fees are budgetted for this activity.
4.0	**Enforcement**		
4.1	38(2)	Monitor BCF reporting to public	
		The Commissioner will observe how BC Ferries reports its own performance respecting pricing its fares under the price cap, and respecting its service level actually delivered versus the contracted service levels.	Quarterly observation by Commissioner, with observations to be included in annual report to the Cabinet (see 6.4 below). One Commission day per quarter.
4.2	46	Inspect BCF records as required	
		Order inspections of the records of the ferry operator as necessary.	No activity expected to be necessary through FY 2005/6.
4.3	48	Issue orders to BCF re: non-compliance with the law as required	
		Issue orders for non-compliance with the legislation as necessary.	No activity expected to be necessary.
5.0	**Publication and Outreach**		
5.1	52	Maintain Commission records, provide public access	
		Files will be maintained accessible to the public under the Freedom of Information and Protection of Privacy Act. Response to public enquiries will be made via telephone, postal mail, e-mail. A web site will be maintained and regularly updated as needed, preferably at least monthly.	The level of this activity is difficult to predict. It will depend on issues arising and the profile that the Commission receives in the public eye. Budget is 30 days of Commission time for FY 2005/6.
5.2	52	Publish decisions determinations orders proceedings	
		The Commissioner will publish every decision, determination and order.	Three to five official publications.

		in a manner that the Commissioner believes will bring it to the attention of the public. All such items will be published on the Commission's website, at a minimum.	expected. How published will depend on the Commissioner's judgment of the groups having most interest in the content.
5.3	NA	Communicate with public and stakeholders	
		The Commission will actively communicate the role and responsibilities of the Commission to the public; make appearances in the media; make presentations and speeches to stakeholder groups.	Commissioner attending one industry conference per year; two media pieces per year written by Commissioner; one public speech presentation per quarter by Commissioner.
6.0		**Administration and Reporting**	
6.1	36	Operate office and engage external support services	
		Operate the office of the Commission. Maintain arrangements for telephone, mail and electronic access. Rent office space as required. Office operations (secretarial, phone, courier, post, internet, website). Office equipment dedicated to Commission use. Work with Office of the Attorney General as provider of payment system on behalf of the Commission. Obtain internal bookkeeping, archiving, and legal services as required.	No rental costs expected in the year due to virtual office operation. Accounting and payment system is provided by Office of the Attorney General at no charge to the Commission. A budget of $15,000 is made for obtaining independent legal advice as required.
6.2	NA	Research background to ferry operating environment	
		This activity is Commissioner's ferry system familiarization and background study. The Commissioner intends to travel all ferry routes in person. Research and Investigations initiated by Commission.	This activity will be largely study of relevant reports and articles. The Commissioner will ensure familiarity with all ferry routes. Nine days of Commission time is allotted for this activity FY2005/6. One special research investigation by consultants is budgetted at $10,000 in fees.
6.3	69	Prepare Commission's annual budget	
		Budget will include expenditures reasonably expected to be incurred in the following year, supported by a Service Plan for the year.	Preparation time for the annual Service Plan and Budget will be needed in quarter 2 of each fiscal year. Two days allotted for the Service Plan and Budget.

6.4	53	Report annually to Lieutenant-Governor in Council	
		Within 4 months after the end of each fiscal year, the Commissioner will make a report to the Lieutenant-Governor in Council for the preceding fiscal year, setting out briefly (a) all applications and requests for decisions to the commissioner under the Act, (b) all orders issued by the commissioner, (c) the financial statements applicable to the office of the commissioner for that year along with full disclosure of the expenses of, and associated with, the office of the commissioner, and (d) other information the Lieutenant-Governor in Council directs.	One report annually within 4 months of the end of the fiscal year requiring two days' work of the Commission.

5 Expenditure Budget

The following page provides a detailed expenditure budgets for the fiscal year 2005/6.

For each activity, estimates are made for the fees of the Commissioner(s), staff and consultants, travel and other expenses (e.g. equipment, support services and supplies).

Expenditure Budget for FY2005/6

Coastal Ferry Act Section	Activity Number	Cost Code	Activity and Expected Level	Commissioners		Consultants	Expenses		TOTAL
				Days	Fees*	Fees	Travel	Other	
	1.0		**Regulation of Ferry Fares**						
39	1.1		Monitor how weighted average fare is calculated						
		111	Guide adjustments to Average Price Model	10	$ 5,917	$ 10,000	$ 250	$ -	$ 16,167
		112	Validate Average Price Model	5	$ 2,958	$ 10,000	$ 1,000	$ -	$ 13,958
38, 65	1.2		Review BCF quarterly reports on price level						
		121	One review per quarter	8	$ 4,733	$ -	$ -	$ -	$ 4,733
42	1.3		Handle any BCF applications for extraordinary price increases						
		131	Allowance for one extraordinary price increase	3	$ 1,775	$ 5,000	$ -	$ -	$ 6,775
45	1.4		Adjust price cap for any service cuts/abandonments						
		141	None are expected before April 2006	0	$ -	$ -	$ -	$ -	$ -
40,41	1.5		Conduct price cap review for next performance term						
		151	No activity until October 2006	0	$ -	$ -	$ -	$ -	$ -
			SUBTOTAL - REGULATION OF FERRY FARES	26	$ 15,383	$ 25,000	$ 1,250	$ -	$ 41,633
	2.0		**Regulation of Ferry Service Levels**						
38, 65	2.1		Review BCF quarterly reports on service level						
		211	One review per quarter	4	$ 2,367	$ 4,000	$ 500	$ -	$ 6,867
38, 66	2.2		Review BCF annual reports on service level						
		221	One review of FY 2004/5 report in June 2005	2	$ 1,183	$ 4,000	$ 500	$ -	$ 5,683
43	2.3		Handle any BCF applications for service cuts						
		231	None are expected before April 2006	0	$ -	$ -	$ -	$ -	$ -
44	2.4		Handle any BCF applications for route discontinuance, possibly hold hearing						
		241	None are expected before April 2006	0	$ -	$ -	$ -	$ -	$ -
			SUBTOTAL - REGULATION OF FERRY SERVICE LEVELS	6	$ 3,550	$ 8,000	$ 1,000	$ -	$ 12,550
	3.0		**Special Decisions**						
55	3.1		On BCF request, decide if a proposed capital deployment is reasonable						
		311	Three determinations expected required in FY2005/6	30	$ 17,750	$ 60,000	$ 10,000	$ -	$ 87,750
38(4)	3.2		Deregulate a ferry route if competition sufficient						
		321	One investigation in FY2005/6	10	$ 5,917	$ 20,000	$ 2,000	$ -	$ 27,917
69	3.3		Review BCF Plan to seek alternate service providers						
		331	Monitor market and availability of alternate providers	5	$ 2,958	$ 10,000	$ 1,000	$ -	$ 13,958
			SUBTOTAL - SPECIAL DECISIONS	45	$ 26,625	$ 90,000	$ 13,000	$ -	$ 129,625
	4.0		**Enforcement**						
38(2)	4.1		Monitor BCF reporting to public						
		441	Quarterly observation by Commissioner	4	$ 2,367	$ -	$ -	$ -	$ 2,367
46	4.2		Inspect BCF records as required						
		421	No activity expected to be necessary	0	$ -	$ -	$ -	$ -	$ -
48	4.3		Issue orders to BCF re: non-compliance with the law as required						
		431	No activity expected to be necessary	0	$ -	$ -	$ -	$ -	$ -
			SUBTOTAL - ENFORCEMENT	4	$ 2,367	$ -	$ -	$ -	$ 2,367
	5.0		**Publication and Outreach**						
52	5.1		Maintain Commission records, provide public access						
		511	Ongoing overhead including response to public enquiries	30	$ 17,750	$ 5,000	$ -	$ -	$ 22,750
52	5.2		Publish decisions/determinations/orders/proceedings						
		521	Three to five official publications expected	5	$ 2,958	$ -	$ -	$ -	$ 2,958
NA	5.3		Communicate with public and stakeholders						
		531	Commissioner to one industry conference per year	2	$ 1,183	$ -	$ 1,000	$ 1,000	$ 3,183
		532	Two media pieces per year written by Commissioner	2	$ 1,183	$ -	$ -	$ -	$ 1,183
		533	One public presentation per quarter by Commissioner	4	$ 2,367	$ -	$ 750	$ -	$ 3,117
			SUBTOTAL - PUBLICATION AND OUTREACH	43	$ 25,442	$ 5,000	$ 1,750	$ 1,000	$ 33,192
	6.0		**Administration and Reporting**						
36	6.1		Operate office and engage external support services						
		611	Office equipping and updating software	1	$ 592	$ -	$ -	$ 3,000	$ 3,592
		612	Rent: none expected (virtual office)				$ -	$ -	$ -
		613	Office ops (secretarial, phone, courier, post, internet, website)	3	$ 1,775	$ 2,000	$ -	$ 1,000	$ 4,775
		614	Office equipment dedicated to Commission use	0	$ -	$ -	$ -	$ 5,000	$ 5,000
		615	Accounting, audit, archiving, and legal advice as required	4	$ 2,367	$ 15,000	$ 1,000	$ -	$ 18,367
NA	6.2		Research background to ferry operating environment						
		621	Commissioners' system familiarization and background study	5	$ 2,958	$ -	$ 1,000	$ -	$ 3,958
		622	Research and Investigations initiated by Commission	4	$ 2,367	$ 10,000	$ 2,000	$ -	$ 14,367
59	6.3		Prepare Commission's annual budget						
		631	Preparation time for next year's annual service plan and budge	2	$ 1,183	$ -	$ -	$ -	$ 1,183
53	6.4		Report annually to Lt-Gov-in-Council						
		641	One annual report in June 2005 on last year's activities	2	$ 1,183	$ -	$ -	$ -	$ 1,183
			SUBTOTAL - ADMINISTRATION AND REPORTING	21	$ 12,425	$ 27,000	$ 4,000	$ 9,000	$ 52,425
			GRAND TOTAL - ALL ACTIVITIES	145	$ 85,792	$ 155,000	$ 21,000	$ 10,000	$ 271,792

*Commissioner's daily fee is set by Order In Council at $ 675

Deputy Commissioner's daily fee is set by Order in Council at $ 425

CONTINGENCY: 5% 13,589.58

TOTAL including contingency $ 285,381